GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1911
ANSWERED ON:03.08.2000
NEW PRIVATE PROJECTS
MOHAMMED SHAHABUDDIN

Will the Minister of POWER be pleased to state:

(a) whether only nine out of 57 promoters of private projects regarding power generation have mobilised the required money so far;

(b) if so, the action taken by the Government so far in regard to the remaining projects;

(c) the target fixed for the private sectors regarding power generation under Eighth Five Year Plan;

(d) whether this target has been achieved;

(e) if not, the reasons therefor; and

(f) the concrete steps being taken by the Government to achieve the target?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a): As per available information, out of a total of 57 private sector power projects accorded Techno-Economic Clearance (TEC) by the Central Electricity Authority (CEA), 15 projects have achieved financial closure so far.

(b): The steps taken to ensure that these projects achieve financial closure at the earliest include regular monitoring of projects by the Crisis Resolution Group and Task Force constituted by Ministry of Power so as to remove the various bottlenecks, organising special Meetings with financial institutions and concerned State Governments, etc., setting up of Regulatory Commissions, Reforms and Restructuring of power sector, 100% automatic approval of Foreign Direct Investments, delegation of powers to the State Governments in regard to environment clearance, etc.

(c) to (e): The target for capacity addition by private sector power projects during the Eighth Five Year Plan (1992-97) was 2810 MW against which, a total capacity of 1430.4 MW could be added. The foremost reason for shortfall in the planned capacity addition has been the lack of investors confidence on account of poor financial health of State Electricity Boards (SEB) and the lack of the adequate security arrangements with the SEBs. The other reasons include the unresolved issue in fuel linkages, cancellation of projects by respective State Governments, non-finalisation of different contracts such as Power Purchase Agreement and Fuel Supply Agreement and non-seriousness among some of the promoters of projects on the MOU (Memorandum of Understanding) route.

(f): Does not arise since the said Plan is already over.